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**SPECIAL PROGRESS REPORT • DECEMBER 20, 1971****TO THE SHAREHOLDERS**

This special progress report has been issued to inform you of a Voyager exploration program launched three months ago near Holden, in east-central Alberta. Twelve wells have been drilled, as shown on the accompanying map, and nine of them have been completed as gas producers, substantially increasing the Company's reserves. Drilling operations will be continued to extend the productive area.

The discovered reserves lie in the central portion of a large land block wholly-owned by Voyager, immediately to the northwest of the Wavy Lake properties where Zoller and Danneberg Exploration, Ltd. drilled 26 wells under farmout from your Company last summer. Along with the Wavy Lake block, the Holden lands are covered by a Trans-Canada Pipe Lines Ltd. gas purchase contract. We are now engaged in discussions with Trans-Canada to determine the reserves developed to date in these two areas, and we are confident that on conclusion of these talks our gas reserves committed to firm sales contracts will be considerably more than double the 70 billion cubic feet covered by our presently operative contracts.

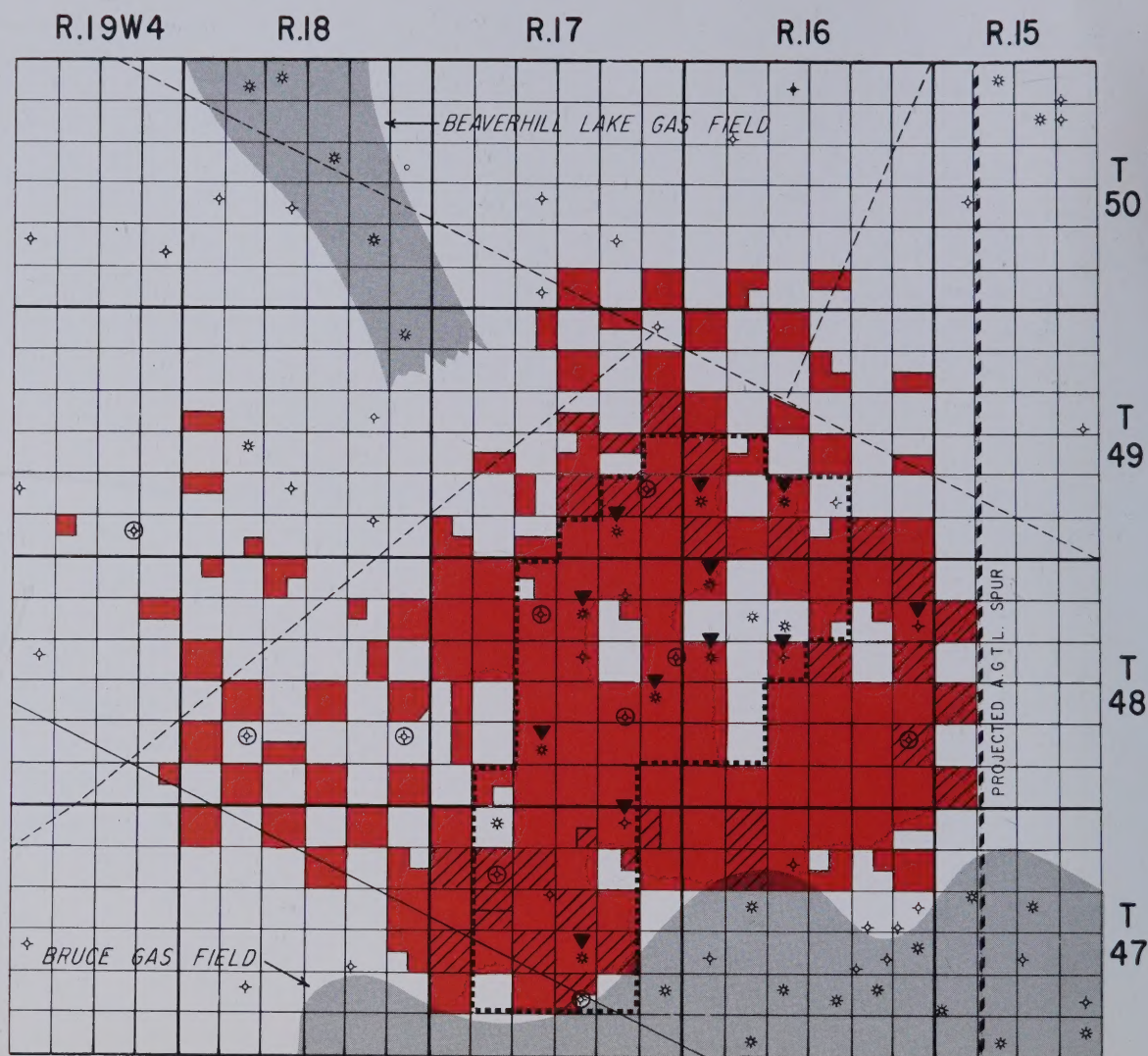
Payments under the new contract are to commence in January at the rate of 18 cents per thousand cubic feet, with provision for regular price escalation and price

redetermination in five years. We estimate that sales from the presently developed reserves at Holden and Wavy Lake will initially generate more than \$500,000 cash flow per year. Actual production is scheduled for July, 1972, following construction of gathering lines and processing and compression facilities and after completion of the Alberta Gas Trunk Line spur which will serve the area.

The gas purchase contract applies to all reserves developed by the Company in an area of more than 6,900 square miles where Voyager holds interests in 380,000 acres of land netting 270,000 acres. Our most recent acquisitions are two permits totalling 17,760 acres near Holden bought at the Alberta Government sale on December 2. Certain of the lands in these permits, like some of our other properties in the area, contain significant gas reserves discovered by wells drilled and abandoned several years ago when markets were unavailable or prices offered for gas were uneconomically low. Development of these reserves is now profitable.

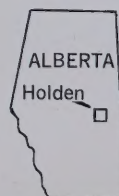
Calgary, Alberta
December 20, 1971

President



HOLDEN AREA - EAST CENTRAL ALBERTA

- Drilling
- ◇ Abandoned Well
- * Gas Well
- ⊕ Abandoned But Tested Gas
- ▼ Voyager Well
- Voyager Land Holdings - 100 %
- ▨ Voyager Permits Acquired Dec. 2, 1971
- Discovery Area
- - - Existing Gas Pipeline
- Existing Oil Pipeline



VOYAGER



PETROLEUMS LTD.

INTERIM REPORT

Three and six month periods ended

September 30, 1971

TO THE SHAREHOLDERS:

In the three months ended September 30, 1971, Voyager's second fiscal quarter, the Company had net income of \$115,385 or 3.7 cents per share. This is approximately 35% higher than the \$85,462, or 2.8 cents per share, realized in the same period of 1970. Cash generated from operations was up 11.6%, from \$193,999 to \$216,563, or, on a per share basis, from 6.3 cents to 7 cents. These gains were due to increased production, and it is notable that while 90% of production revenue in the three months ended September 30, 1970 was attributable to subleased oil properties at Pembina, Alberta, only 50% came from that source in the same period of this year. Most of the balance was due to sales from the Plain and Warwick gas fields, in the east-central area of the Province, which went on stream after the close of our second fiscal quarter of 1970.

For the half-year, net income reached \$217,531, as compared with \$163,791 in the first six months of last year, a 32.8% increase. Per share earnings were 7 cents and 5.3 cents, respectively. Cash flow for the six-month period, at \$434,047, or 14.1 cents per share, was 9.6% above the \$396,089, or 12.8 cents per share, recorded in the half ended September 30, 1970.

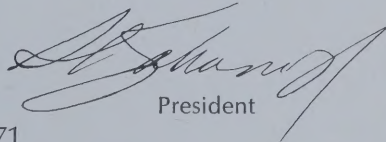
Due to the modification of the method of allocation of general and administrative expenses to petroleum and natural gas properties mentioned in the Company's latest annual

report, previously reported 1970 results have been restated in the accompanying statements for comparative purposes.

Voyager drilled or participated in the drilling of 25 exploratory wells and two development wells during the second quarter. Seven of the wildcats and one of the field wells were completed for gas production. This activity brought the half-year's total of wells drilled to 35, resulting in 12 new producers, eight net to Voyager. The Company's gas reserves have been increased considerably by these wells. All of Voyager's gas is committed to sales contracts which are not affected by the recent ruling of the National Energy Board denying export of additional gas from Canada at this time.

Canadian Superior Oil Ltd. has carried out a 1,000-mile program of marine seismic reconnaissance on 1,235,000 acres of our east Grand Banks permits and Gulf Oil Canada Limited has completed 175 miles of seismic work on and in the vicinity of 1.4 million acres of adjoining Voyager lands on the Flemish Cap. The results of these operations are now under review. We succeeded in completing only a small portion of the proposed seismic survey in the Beaufort Sea during the short summer season.

Calgary, Alberta
November 19, 1971



President

**DIRECTORS
AND
OFFICERS**

S. KAHANOFF
President and Director
O. E. BUKER
Director
W. F. KAHANOFF
Director
G. E. LONGPHEE
Director
M. T. RIBACK
Director
C. M. MacINNES
Vice-President and Secretary
T. H. LIVINGSTON
Treasurer and Assistant Secretary

SHARE LISTINGS

Canadian Stock Exchange
Toronto Stock Exchange —
Ticker abbreviation VPT

HEAD OFFICE

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VOYAGER PETROLEUMS LTD.

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

	Three Months Ended September 30		Six Months Ended September 30	
	1971	1970	1971	1970
INCOME				
Production	\$ 189,091	\$ 153,683	\$ 414,266	\$ 311,149
Interest and other	92,634	88,711	168,742	168,684
	<u>281,725</u>	<u>242,394</u>	<u>583,008</u>	<u>479,833</u>
Expenses				
Operating, including royalties	32,827	29,563	91,966	49,446
General and administrative	32,335	18,832	56,995	34,298
	<u>65,162</u>	<u>48,395</u>	<u>148,691</u>	<u>83,744</u>
Net cash from operations	216,563	193,999	434,047	396,089
Non-cash expense provisions				
Depletion	96,563	111,935	206,550	233,601
Depreciation	4,615	2,996	9,966	5,091
	<u>101,178</u>	<u>114,931</u>	<u>216,516</u>	<u>238,692</u>
Operating income	115,385	79,068	217,531	157,397
Extraordinary gains on sales of investments in affiliates	-	6,394	-	6,394
NET INCOME FOR THE PERIOD	\$ 115,385	\$ 85,462	\$ 217,531	\$ 163,791
RETAINED EARNINGS				
Balance at beginning of period	\$2,489,991	\$2,168,320	\$2,387,845	\$2,089,991
Balance at end of period	<u>\$2,605,376</u>	<u>\$2,253,782</u>	<u>\$2,605,376</u>	<u>\$2,253,782</u>
Results per share:				
Cash flow	7.0¢	6.3¢	14.1¢	12.8¢
Operating income	3.7	2.6	7.0	5.1
Extraordinary gains	-	0.2	-	0.2
Net income	3.7	2.8	7.0	5.3
Shares outstanding	3,086,000	3,086,000	3,086,000	3,086,000

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	Six Months Ended September 30	
	1971	1970
SOURCE OF FUNDS		
Net cash from operations	\$ 434,047	\$ 396,089
Extraordinary gains	-	6,394
Performance deposit refunded	-	58,854
Repayment of advances from affiliates	-	64,087
	<u>434,047</u>	<u>525,424</u>
APPLICATION OF FUNDS		
Petroleum properties	839,427	682,201
Equipment	75,939	89,703
Investment in shares, others	12,095	34,778
Reduction of prepaid gas revenue	14,500	-
	<u>941,961</u>	<u>806,682</u>
INCREASE (DECREASE) IN WORKING CAPITAL	\$ (507,914)	\$ (281,258)
Working capital at end of period	<u>\$2,094,533</u>	<u>\$3,538,486</u>

Subject to audit at year-end

Previously reported 1970 results have been restated because of last year's modification in the method of allocation of general and administrative expenses to petroleum and natural gas properties